## NEORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

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| COUNTRY        | East Germany                               | REPORT                          |                 |      |
|----------------|--|---------------------------------|-----------------|------|
| SUBJECT        | Price Fixing in East German<br>Agriculture | DATE DISTR.                     | 25 October 1955 | 25X  |
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The nationalized farms (Volkseigene Gueter - VEGs) and the university farm projects in East Germany have been losing some 400-600 DME per hectare per year for some time. In order to rectify this situation, and to insure that the VEGs show a profit in the future, it has been confidentially ordered that these enterprises, as of 1 January 1955, are to demand double the previous prices for all products placed on the market or delivered. Since the receipts of these enterprises are approximately 800-1,000 DME per hectare per year, it should be possible in this way to make up the losses. The agricultural production associations and other agricultural enterprises in East Germany have not been notified of this ruling.

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